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SECURITY INFORMATION

1 April 1953

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3.5(c)

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**Office of Current Intelligence**

**CENTRAL INTELLIGENCE AGENCY**

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3.5(c)

~~TOP SECRET~~  
SECURITY INFORMATION

~~TOP SECRET~~  
SECURITY INFORMATION

**SUMMARY**

**GENERAL**

- ✓ 1. Soviet UN official says Chinese proposal is "real thing" (page 3).
- ✓ 2. Burma wants to avoid US involvement in

**SOVIET UNION**

- 3. Moscow Embassy comments on Soviet amnesty decree (page 4).
- 4. Transfer of Soviet economic activities from MVD indicated (page 4).

**FAR EAST**

- 5. Chiang Kai-shek again offers to send troops to Korea (page 5).

**SOUTHEAST ASIA**

- 6. Burmese Ambassador to Peiping reportedly influential in recent Burmese moves (page 5).

**NEAR EAST - AFRICA**

- 7. Jordan seeks immediate recall of UN truce supervisor (page 6).
- ✓ 8. Egypt considers British proposals for defense talks unacceptable (page 6).

**WESTERN EUROPE**

- 9. Adenauer views problems on eve of Washington visit (page 7).

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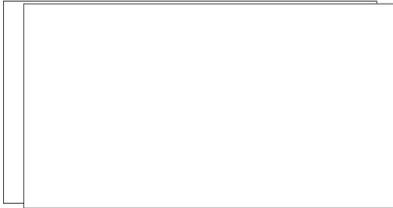
3.5(c)

~~TOP SECRET~~

3.5(c)

~~TOP SECRET~~  
SECURITY INFORMATION

## GENERAL

1. Soviet UN official says Chinese proposal is "real thing":

The senior Soviet member of the UN Secretariat, Kassaniev, told a member of the Norwegian delegation on 30 March that Chou En-lai's statement about nonforcible repatriation of prisoners was "the real thing" and that only "technicalities" remain to be worked out.

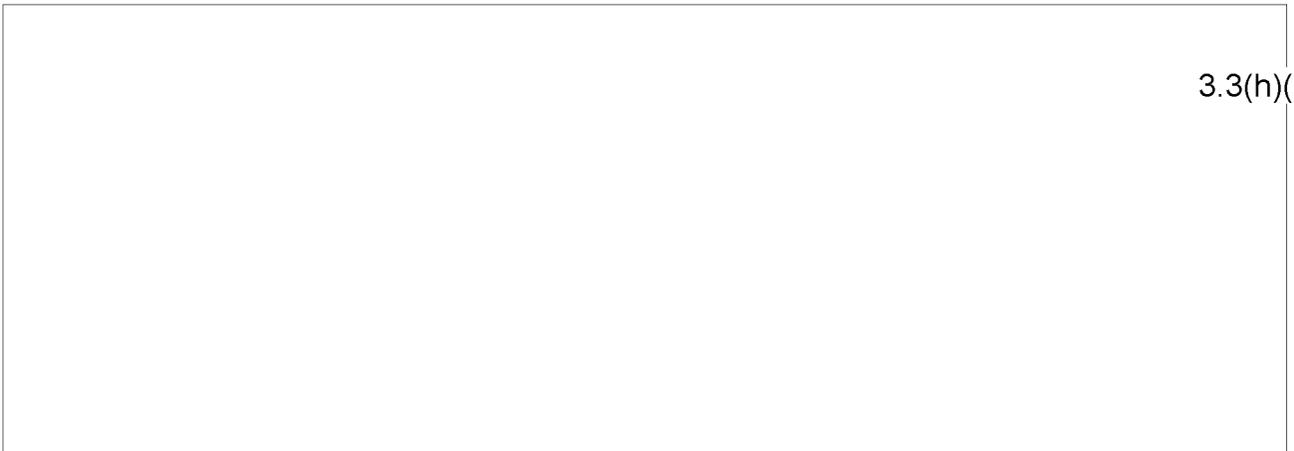
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Kassaniev then referred to the possibility of an Eisenhower-Malenkov meeting, and said that his government understands "the Americans may wish Churchill to attend and perhaps also the French." In reply to a question regarding the agenda, Kassaniev stated that Korea is "not the only hot spot in the world" and also suggested that bilateral talks might include control of atomic energy and disarmament.

The Norwegian gained the impression that Kassaniev was speaking under instructions from the Soviet delegation, which must have had prior information about Chou's statement.

Comment: This is the firmest indication yet noted that the USSR may favor ending the Korean war. The reference to big-power negotiations may result from a desire to pursue a more cautious foreign policy and reduce the risk of new American pressures.

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3.3(h)(2)

- 3 -

~~TOP SECRET~~

3.5(c)

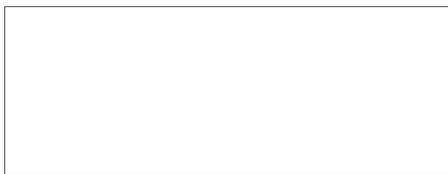
~~TOP SECRET~~  
SECURITY INFORMATION

Comment: Despite these instructions, the Burmese delegate to the UN, while in Rangoon on 30 March, publicly assigned to the United States moral responsibility for the presence of the Nationalists in Burma. His military adviser is reported to be taking to New York a captured document from Chiang Kai-shek promising increased assistance to Li Mi's troops "now that Taipei is receiving ample American aid."

The more moderate members of the Burmese Cabinet, including the Premier and Foreign Minister, are under pressure from certain of their colleagues to take actions progressively more inimical to the United States.

### SOVIET UNION

#### 3. Moscow Embassy comments on Soviet amnesty decree:



The American Embassy in Moscow notes that the local population is showing a lively interest in the amnesty decree, which the Embassy assumes will directly affect from one to two million people. The omission of any reference to Stalin in Soviet news coverage of this development is apparently designed to give the new regime full credit.

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#### 4. Transfer of Soviet economic activities from MVD indicated:



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Dalstroi, the Soviet agency responsible for the development of northeastern Siberia, is being transferred from the MVD to the Ministry of Metallurgy, and that the Chief Directorate of Camps, which is concerned with forced labor, is being transferred to the Ministry of Justice. Other economic activities are also being removed from the MVD's jurisdiction.

- 4 -

~~TOP SECRET~~

3.5(c)

~~TOP SECRET~~  
SECURITY INFORMATIONComment: [redacted]

3.3(h)(2)

[redacted] the recent Soviet government reorganization was considerably more than a paper change.

As it loses its economic functions, the MVD may become primarily a police organ, such as the former MGB.

## FAR EAST

5. Chiang Kai-shek again offers to send troops to Korea:

[redacted]

Chiang Kai-shek told General Clark on 26 March that he was prepared to send two divisions to Korea at any time on short notice. General Chase, chief of MAAG

3.3(h)(2)

on Formosa, comments that the Chinese could readily spare two divisions, armed with only light infantry weapons. Heavy equipment would have to be supplied from outside Formosa.

Comment: Although Chiang's 1950 offer to send troops to Korea was never withdrawn, he told American officials in late 1952 that he would prefer to save his forces for the defense of Formosa and for operations against the mainland.

## SOUTHEAST ASIA

6. Burmese Ambassador to Peiping reportedly influential in recent Burmese moves:

[redacted]

The Burmese Ambassador to Peiping, who allegedly believes he has convinced the Chinese that Rangoon is determined to remain neutral and prevent northern Burma

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from being used as a base for operations against China, was reportedly influential in Burma's decision to terminate American aid.

- 5 -

~~TOP SECRET~~ [redacted]

3.5(c)

~~TOP SECRET~~

SECURITY INFORMATION

3.5(c)

[redacted] the  
Ambassador may be attempting to promote a friendship treaty  
between Burma and Communist China.

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Comment: The Ambassador, who is  
an apologist for Communist China, was an early advocate of a  
complaint to the United Nations on the Chinese Nationalist situation.  
Several recent Burmese moves indicate that the government may be  
giving increasing weight to his views, regarding them as representa-  
tive of Peiping's desires.

[redacted] an official  
of the government party had left Rangoon on 3 March for Peiping to  
negotiate a "Sino-Burmese treaty."

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#### NEAR EAST - AFRICA

##### 7. Jordan seeks immediate recall of UN truce supervisor:

[redacted]

Jordan has asked the United States to bring  
about the immediate recall of General Riley,  
chief of the UN Truce Supervision Organiza-  
tion, because he is no longer acceptable to  
the Arab states. The Prime Minister declared that unless Riley  
were recalled soon, Jordan would prohibit his entering the country.

3.3(h)(2)

Comment: The maintenance of Arab-  
Israeli peace depends largely on finding an effective successor to  
Riley. The Arabs have declared their opposition to another  
American and prefer either a Belgian or a Dutchman.

##### 8. Egypt considers British proposals for defense talks unacceptable:

[redacted]

Egypt considers unacceptable the British  
proposals to begin defense talks on the  
basis of the five-point package deal for  
British evacuation of the Canal Zone area  
and Egyptian participation in a Middle East defense organization.

3.3(h)(2)

- 6 -

~~TOP SECRET~~

3.5(c)

~~TOP SECRET~~  
SECURITY INFORMATION

Members of the Egyptian Revolutionary Command Council told a US Embassy official that Egypt cannot agree to military cooperation as a condition for British evacuation. They also indicated suspicion of British good faith and said that Colonel Nasr, number two man in the council, was the only member urging continued efforts to reach a negotiated settlement with Britain.

Comment: This is the bluntest statement to date on the reaction of General Nagib's regime to the British proposals.

The British have been equally firm in maintaining their position that agreement must be reached on all five points before a final settlement is signed.

#### WESTERN EUROPE

##### 9. Adenauer views problems on eve of Washington visit:



Chancellor Adenauer, in discussing his forthcoming trip to Washington, expressed to US High Commissioner Conant anxiety lest he fail to secure some positive acknowledgment of the restoration of German sovereignty prior to the German elections this fall. He suggested that the American mission in Bonn be elevated to embassy status and that more war criminals be released.

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The Chancellor also expressed concern over the "extremely high" defense contribution soon to be asked of West Germany and hoped that no final agreement would be reached which might interfere with Bundesrat ratification of the Bonn and Paris treaties late in April.

Adenauer refused to recognize a Saar solution as a necessary condition for treaty ratification, and bitterly criticized French Foreign Minister Bidault for departing from the earlier agreement with Schuman on the main lines of political and economic settlement.

- 7 -

~~TOP SECRET~~



3.5(c)